

	POLICY No. 110.20 AUDITOR'S STATEMENT OF INDEPENDENCE	
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## **AUDITOR'S STATEMENT OF INDEPENDENCE**

AUDITOR:			Position:			

Internal auditors are independent when they can carry out their work freely and objectively. Independence permits internal auditors to render the impartial and unbiased judgments essential to properly conduct audits and/or other engagements.

We, as internal auditors, are expected to maintain an independent mental attitude in order to be capable of exercising objective and impartial judgment on all issues associated with conducting the audit/engagements, reporting on the work performed, and being viewed as such by objective third parties with knowledge of the relevant information. Professional Standards also require us to promptly notify the Audit Manager, City Auditor and/or the City Controller, in writing, concerning any situation that would impair, in fact and/or appearance, our or the Audit Division's independence on an audit/engagement. If we have any doubt whether a situation may result in impairment, we will resolve in favor of disclosure.

## Examples of Possible Threats to Auditor Independence

- Immediate family or close family member who is a director or officer of the audited entity or is otherwise able to exert direct and significant influence over the entity or program under audit:
- Financial interest that is direct, or is significant/material though indirect, in the audited entity or program;
- Responsibility for managing an entity or decision making that could affect operations of the entity or program being audited;
- Concurrent or subsequent performance of an audit by the same individual who maintained the official accounting records of the audited organization during the scope period of the engagement;
- Preconceived ideas toward individuals, groups, organizations, or objectives of a particular program that could bias the audit;
- Biases, including those induced by political, ideological, or social convictions that result from employment in or loyalty to, a particular type of policy, group, organization, or level of government;
- Offer of or application for a position with the auditee during the preceding year. An offer of
  or intention to apply for a position with the auditee once the audit is in progress must also
  be reported;

## Examples of Possible External Threats to Organizational Independence:

- External interference or influence that could improperly limit of modify the scope of an audit or threaten to do so;
- Unreasonable restrictions on the time allowed to complete an audit or issue the report; and
- Externally imposed restriction on access to records, government officials or other individuals needed to conduct the audit.



Audit Division

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Each auditor should identify situations involving the following:

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Non-City (outside) employment	
Business positions or offices	
Business financial interests held by the auditor or his/her spouse	
Family relationships with other City employees or other potential aud	litees
Other situations not identified above	
POSSIBLE PERSONAL IMPAIRMENTS TO MY INDEPENDENCE	
I have reviewed my personal situation with respect to the C component Departments, programs, and processes. I am not awar might impair my ability, in fact and appearance, to be independent any audit/engagement, except as indicated above or on attached page.	re of any circumstances that , impartial, and objective on
RESPONSIBILITY TO UPDATE THIS DISCLOSURE	
I understand that I am also responsible to make timely written notific circumstance arises during the course of this year that might impindependence with respect to any audit or engagement.	
Auditor	 Date